PIPER

The statistical data is extracted from Pensions & Investments' Performance Evaluation Report, a quarterly performance evaluation service published by Pensions & Investment Age. PIPER details comparative performance data on equity and fixed-income funds at more than 200 banks and insurance companies. PIPER is compiled by Rogers, Casey & Barksdale Inc., Stamford, Conn.

PIPER equity . . .

Continued from page 3

Allied Bank's $9 million commingled fund is managed by Criterion Investment Management Co., Houston. Charles Miller, chief executive officer at Criterion, echoed Mr. Enloe's remarks.

He noted that while Allied's concentration in growth stocks led to a relatively low performance in the second half of 1983, it also was responsible for the high marks in the first half of this year.

The fund avoided energy, bank and strictly cyclical stocks, and maintained cash reserves between 20% and 30%, which is average for the fund, Mr. Miller said.

Finishing third for the quarter was Manufacturers National Bank of Detroit, with 3.5%. InterFirst Investment Management, Dallas, had the fourth best performing equity fund for the quarter, with a 3.4% return.

Continental National Bank, Fort Worth, Texas, finished first for the year ended June 30; its $2 million equity fund garnered an 8.8% time-weighted total return.

Frank Ganucheau, senior vice president and trust investment officer at Continental, looks for low price-earning stocks with stable earnings and strong balance sheets. Continental was in oil early in the year, and maintained exposure to food and tobacco stocks such as **Brown & Foreman, American Brands Inc.** and **R.J. Reynolds Industries Inc.**

The fund kept cash reserves in the 15% to 20% range, and any change in that would mean an increased concentration in the food or tobacco sectors, according to a Continental spokesman.

First Union National Bank, in Charlotte, N.C., finished second for the year with a 7.3% return on its $75 million commingled equity fund.

First Union owes its success to a strictly disciplined valuation and market timing approach, according to Mark Sipe, vice president and director of research for the trust investment department.

Supplementing its stock picking skills with market timing gave the bank its superior performance for the year, he said.

The fund had above-average cash reserves during 1984's second quarter and had investments in traditionally defensive sectors such as foods, tobacco, regional banks and utilities, Mr. Sipe said.

"At present we are reevaluating our market stance, given that many of the factors we look at are in a dynamic mode, at a threshold," he added, referring to recent surges in the stock market, and the gradual but steady rise in interest rates.

"Until we see verification of these directions, we are going to maintain our defensive posture," Mr. Sipe said.

Following First Union for the year were United States Trust Co. of New York with a 6.9% time-weighted return on its commingled equity fund, and First Interstate Bank of Oregon in Portland with 5.6%.

Landmark Union Trust Bank in St. Petersburg, Fla., came in fifth for the year with 5%.

For the year, the best performers of the large funds — those with more than $100 million in pooled assets — belonged to Massachusetts Mutual Life Insurance Co., Springfield, Mass., and Provident National Bank of Philadelphia, both with time-weighted returns of 1.1%.

These 12-month results compare with the median PIPER fund's -8.2% and the S&P 500's -6.7%.

Manufacturer's Life Insurance Co. of Toronto which finished at the top of the list for the three-year, five-year and 10-year periods ending June 31, 1984, slid to the 198th slot in the tally for the year. It climbed to the 66th position during the quarter ending June 30.

The firm's portfolio of $15 million in U.S. pension assets finished with a compounded annual return of 25.6% for the three year period ending June 31. It's time weighted return for the year was -14%, and for the quarter was -0.6%.

"In the last half of 1983 we got caught with a few things I should have sold, particularly some high tech names and high Beta stocks," explained Donavon McKerchar, investment manager.

Continued on page 20

Top quartile equity funds 16
Top equity funds by size 16
Top quartile bond funds 18
Top bond funds by size 18

PIPER bond . . .

Continued from page 3

The average maturity for the entire mortgage fund was three years or less, added Ms. Mulhall.

First National Bank in Jackson's aggressively managed bond fund tied for the top spot.

The fund's recently attained structure features 20% in Small Business Administration loans, 20% in GICs and the balance in intermediate Treasuries, said Chris Grillis Jr., vice president, who oversees the $30 million portfolio.

The majority of the government issues mature between 1989 and 1991.

"Early last fall, when rates were around 10.5%, I sold off the intermediate Treasuries. A month to six weeks later, rates had gone to 12%. So, I bought them all back at that rate," Mr. Grillis said.

"The same thing happened this past February. And again, I sold off the intermediate bonds until just recently, when I bought them back at 13% plus."

Other bond funds sharing the performance limelight for the year ended June 30, were Hawaiian Trust Co. Ltd. with a 9.5% time-weighted total return, County Bank of St. Louis up 8.9%, and First City Bank of Dallas up 8.4%.

Among funds of $100 million or more, Prudential Insurance Co. of America, Newark, N.J., had funds occupying first and third place for the year.

Its $440 million, VCA 8 Intermediate Bond Fund trounced its peers with a 6.6% time-weighted total return.

Its VCA 7 Active Fund, with $175 million in assets, placed third with 4%.

In second place for funds with $100 million or more was Comerica Bank-Detroit's Intermediate Fund, with 5.3%.

Prudential's VCA 8 featured an average maturity of four years with a duration for the total account of approximately 2½ years, said Stephen J. Klos, director of bond management for Prudential's Capital Markets Department.

"In a sense we were postured very defensively," he said. "This account has these characteristics permanently. So, in a bull (bond) market we'd have a tendency to underperform the market and in a bear (bond) market we'd have a tendency to outperform."

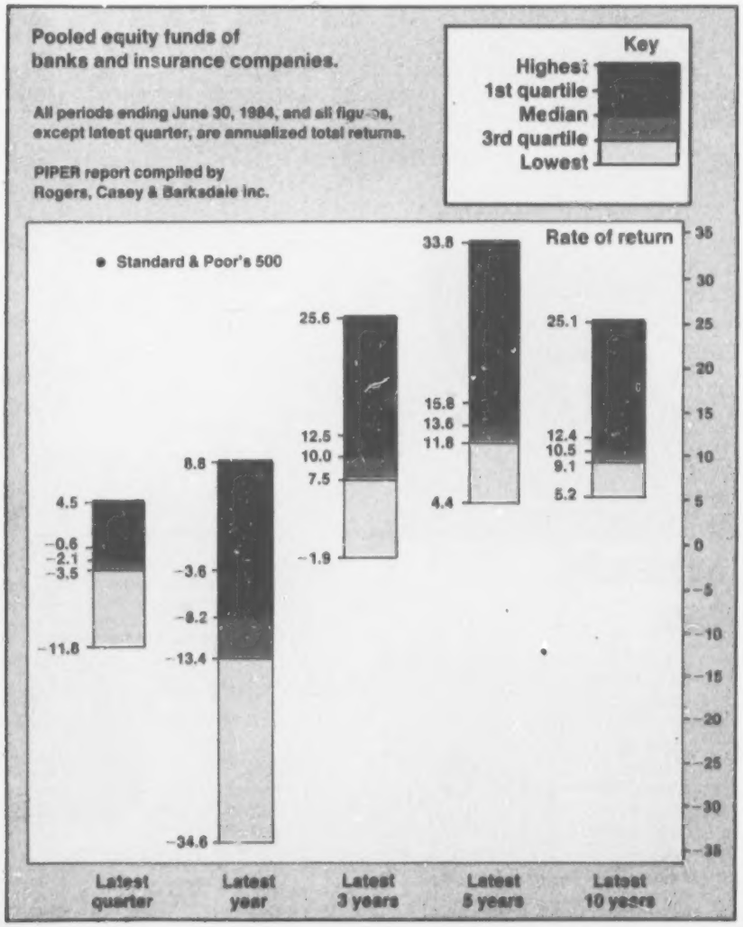
The fund is weighted more heavily in corporate bonds.

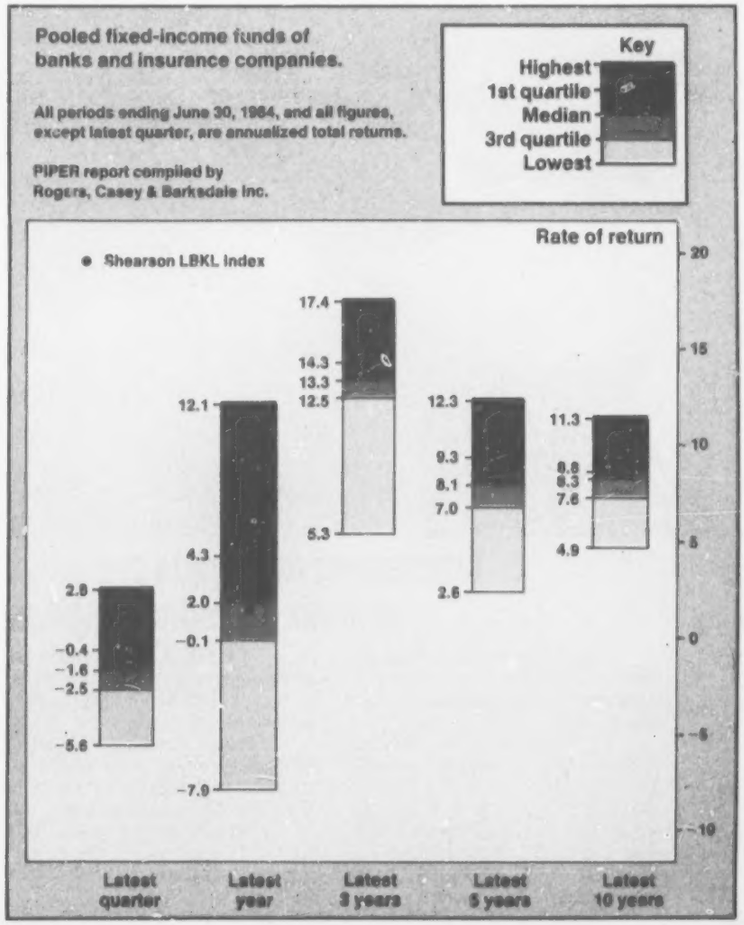
"But, more recently we've started to shift the emphasis to government bonds. This is because the spreads between corporates and governments have compressed to a point where, on a relative value basis, the government sector provides a better value," Mr. Klos said.

As of June 30, the fund was 40% in Treasuries and agencies, 20% in industrial bonds, 21% in consumer finance issues, 6% in utility bonds, and 14% in other issues such as Canadian and Yankee bonds, he said.

Fixed-income returns reflected

Continued on page 21





PIPER

Top quartile commingled equity funds

3-month returns

	%
County Bank of St. Louis	4.5
Allied Bank, Texas	4.3
Manufacturers Detroit	3.5
Interfirst Invt. Mgmt., Texas	3.4
Resource Bank & Trust, Minn.	3.2
First Trust Corp., Colo.	3.1
First Union Bank, N.C.	2.8
BancTexas, Dallas	2.5
Guardian Insurance, N.Y.	2.5
First Wis. National	2.3
First of Pa., Erie	2.3
American Fletcher, Ind.	2.0
First Interstate of Calif.	1.8
American Bank, Tenn.	1.6
Security Natl. Bank, W. Va.	1.4
First Bank, Milwaukee	1.4
Fidelity Natl., La.	1.4
Cullen Bank, Texas	1.4
Peoples Trust, Ind.	1.3
John Hancock, Mass.	1.3
California First Bank	1.3
Philadelphia National	1.3
Toledo Trust, Ohio	1.3
Union Natl., Wichita, Kan.	1.2
Old Kent, Mich.	1.1
Landmark Union Trust, Fla.	1.1
First of Bartlesville, Okla.	1.0
Girard Bank, Pa.	1.0
US Trust, N.Y.	0.9
Lake Shore Natl., Ill.	0.9
Puget Sound Natl., Wash.	0.9
Natl. of Commerce, Neb.	0.8
John Hancock, Mass.	0.8
Bank of the West, Calif.	0.7
Mercantile Safe, Md.	0.7
Continental Bank, Pa.	0.6
Liberty National, Okla.	0.6
Boatmen's National, Mo.	0.5
Bank of Delaware	0.5
Landmark First Natl., Fla.	0.5
Citizens Trust Co. Wis.	0.4
First Kentucky Trust	0.4
Sovran Bank, Va.	0.4
Central Fid., Richmond, Va.	0.4
Gary Wheaton Bank, Ill.	0.3
Centerre Trust, Mo.	0.3
American Natl., Chicago	0.2
Ouachita Natl., La.	0.2
Old Second Natl., Ill.	0.1
Equibank, Pa.	0.1
Penn Mutual Life, Pa.	0.1
First City Dallas	0.1
First Natl. of Commerce, La.	0.0
American Natl., Austin	−0.0
Bank One, Ohio	−0.1
First of Mobile, Ala.	−0.1
Fidelity Bank, Okla.	−0.1
First Trust St. Paul, Minn.	−0.1
Lloyds Bank, Calif.	−0.2
United Virginia Bank	−0.2
Union Planters, Tenn.	−0.2
Citibank, N.Y.	−0.2
Phoenix Mutual, Conn.	−0.5
Indiana National Bank	−0.6
Sun Bank, Fla.	−0.6
Manufacturers Life, Ont.	−0.6
Nationwide Life Ins., Ohio	−0.6
Standard & Poor's 500	**−2.6**

A look at 10 years of ERISA: Sept. 3.

1-year returns

	%
Continental National, Texas	8.8
First Union Bank, N.C.	7.3
US Trust, N.Y.	6.9
First Interstate of Oregon	5.6
Landmark Union Trust, Fla.	5.0
Mercantile Safe, Md.	4.8
Jefferson Trust, Ill.	4.3
Phoenix Mutual, Conn.	3.8
United Virginia Bank	3.4
Bank of New England, Mass.	3.2
Cullen Bank, Texas	3.2
Greeley National, Colo.	2.6
Bank of the West, Calif.	2.4
First of Warsaw, Ind.	2.2
First of Bartlesville, Okla.	2.1
Citytrust, Conn.	2.0
BancTexas, Dallas	1.8
Fourth Natl., Tulsa, Okla.	1.6
Central Penn., Pa.	1.3
Mid-State Bancorp, Pa.	1.1
Natl. of Commerce, Tenn.	1.1
Massachusetts Mutual	1.1
Provident National, Pa.	1.1
Nationwide Life Ins., Ohio	1.0
Ouachita Natl., La.	0.8

Investment managers are only as successful as their investment philosophies.

Every year, it seems, a large percentage of investment managers discard their suddenly shopworn philosophies for those in vogue.

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Top equity funds by size

1-year returns

Over $100 million

	%
Massachusetts Mutual	1.1
Provident Natl., Pa.	1.1
Fidelity Mgmt. Trust, Mass.	−1.8
Metropolitan Life, N.Y.	−1.9
CREF, N.Y.	−4.0
Bankers Trust, N.Y.	−4.3
American Natl., Chicago	−4.6
John Hancock, Mass.	−4.9
Aetna Life & Cas., Conn.	−6.0
Life of Virginia	−6.3

$50 million to $100 million

	%
First Union Bank, N.C.	7.3
US Trust, N.Y.	6.9
Old Kent, Mich.	−0.2
First Pennsylvania Bank	−0.8
Mellon Bank, Pa.	−1.1
United Missouri, K.C.	−1.3
AmeriTrust, Ohio	−1.3
John Hancock, Mass.	−1.7
Manufacturers Detroit	−1.9
Centerre Trust, Mo.	−2.1

$10 million to $50 million

	%
First Interstate of Oregon	5.6
Landmark Union Trust, Fla.	5.0
Mercantile Safe, Md.	4.8
Jefferson Trust, Ill.	4.3
Phoenix Mutual, Conn.	3.8
Bank of New England, Mass.	3.2
Cullen Bank, Texas	3.2
Citytrust, Conn.	2.0
Fourth Natl., Tulsa	1.6
Central Penn., Pa.	1.3

Under $10 million

	%
Continental National, Texas	8.8
Greeley National, Colo.	2.6
Bank of the West, Calif.	2.4
First of Warsaw, Ind.	2.2
First of Bartlesville, Okla.	2.1
BancTexas, Dallas	1.8
Natl. of Commerce, Tenn.	1.1
United Carolina Bank, N.C.	0.7
Irving Trust, N.Y.	0.6
Lake Shore Natl., Ill.	0.0

10-year returns

Over $100 million

	%
US Natl. of Oregon	17.1
Bankers Life, Iowa	16.6
Aetna Life & Cas., Conn.	15.3
Provident National, Pa.	14.8
Massachusetts Mutual	14.5
Life of Virginia	13.5
Equitable Life, N.Y.	13.5
Natl. City, Cleveland	12.8
Interfirst Invt. Mgmt., Texas	11.7
Travelers, Conn.	11.2

$50 million to $100 million

	%
AmSouth, Ala.	17.7
Bessemer Trust, N.Y.	16.4
First Union Bank, N.C.	13.6
Chicago Title & Trust	13.6
First of America, Mich.	12.6
Sentry Life, Wis.	12.5
Manufacturers Detroit	12.4
Mutual Benefit, N.J.	12.1
First Pennsylvania Bank	11.9
AmeriTrust, Ohio	11.3

$10 million to $50 million

	%
Manufacturers Life, Ont.	25.1
Philadelphia Life, Pa.	19.7
Guardian Insurance, N.Y.	19.4
First Wis. Natl., Madison	19.3
First Variable Life, Ark.	18.4
US Natl. of Galveston	18.1
First Trust Corp., Colo.	17.2
Landmark Union Trust, Fla.	15.8
Employers Life of Wausau	15.4
First of Oklahoma	15.0

Under $10 million

	%
Citizens Chillicothe, Mo.	18.8
Confederation Life, Ont.	18.6
Capital Bank, Houston	15.1
First of Kenosha, Wis.	13.7
United of Denver	13.6
Continental Natl., Texas	13.4
Wheeling Dollar Bank	13.0
Olympic Bank, Wash.	13.0
First Tennessee, Chat.	12.5
Union Central, Ohio	12.4

United Carolina Bank, N.C.	0.7
Minnesota Mutual	0.7
Mercantile Trust, Mo.	0.6
Irving Trust, N.Y.	0.6
US Natl. of Galveston, Texas	0.6
Lake Shore Natl., Ill.	0.0
Old Kent, Mich.	−0.2
Confederation Life, Ont.	−0.3
Landmark First Natl., Fla.	−0.6
Bank of Oklahoma	−0.7
Lincoln Natl., Ind.	−0.7
First Pennsylvania Bank	−0.8
Connecticut Mutual Life	−0.9
Mellon Bank, Pa.	−1.1
United Missouri, K.C.	−1.3
AmeriTrust, Ohio	−1.3
Dauphin Deposit, Pa.	−1.4
John Hancock, Mass.	−1.7
Fidelity Mgmt. Trust, Mass.	−1.8
Manufacturers Detroit	−1.9
First of Elgin	−1.9
Metropolitan Life, N.Y.	−1.9
Security Natl. Bank, W. Va.	−2.0
Union Central, Ohio	−2.0
Centerre Trust, Mo.	−2.1
New Jersey National	−2.1
Central Fid., Richmond, Va.	−2.2
Sun Bank, Fla.	−2.4
Manufacturers & Trader, N.Y.	−2.4
Sovran Bank, Va.	−2.4
Natwest USA, N.Y.	−2.6
Midlantic Natl., N.J.	−2.8
American Bank, Tenn.	−3.2
AmSouth, Ala.	−3.2
First of Mobile, Ala.	−3.4
First Interstate of Wash.	−3.4
Guardian Insurance, N.Y.	−3.6
Oregon Bank	−3.6
Southeast Bank, Fla.	−3.6
Standard & Poor's 500	**−4.7**

3-year returns

	%
Manufacturers Life, Ont.	25.6
First Union Bank, N.C.	22.1
AmSouth, Ala.	20.4
First Variable Life, Ark.	20.4
Connecticut Mutual Life	20.3
Sun Bank, Fla.	19.2
Mutual Benefit, N.J.	17.6
Lake Shore Natl., Ill.	17.6
Resource Bank & Trust, Minn.	17.5
Dauphin Deposit, Pa.	17.1
Huntington Banks, Ohio	16.5
First of Oklahoma	16.4
Minnesota Mutual	16.3
First Bank Milwaukee	16.2
Guardian Insurance, N.Y.	16.1
Landmark Union Trust, Fla.	16.0
United of Denver	15.8
First Interstate of Oregon	15.7
Continental Natl. Bank, Texas	15.6
US Natl. of Galveston	15.3
Confederation Life, Ont.	15.3
Union Central, Ohio	15.2
Nationwide Life Ins., Ohio	15.1
First of Warsaw, Ind.	14.9
Mercantile Safe, Md.	14.9
Manufacturers Detroit	14.8
Merchants Natl., Ala.	14.8
United Virginia Bank	14.8
US Natl. of Oregon	14.8
Gary Wheaton Bank, Ill.	14.7
Citizens Trust Co., Wis.	14.4
Mid-State Bancorp, Pa.	14.4
Natl. of Commerce, Tenn.	14.3
Wheeling Dollar Bank, W. Va.	14.2
United Carolina Bank, N.C.	14.2
American Natl., Chicago	14.1
Provident National, Pa.	14.1
Fourth Natl., Tulsa	14.0
Massachusetts Mutual	14.0
Aetna Life & Casualty, Conn.	13.8
Old Kent, Mich.	13.8
Midlantic National, N.J.	13.8
First Kentucky Trust	13.7
Bank of Delaware	13.7
First Wis. National, Madison	13.6
Irving Trust, N.Y.	13.6
Southeast Bank, Fla.	13.4
Jefferson Trust, Ill.	13.3
American Fletcher, Ind.	13.3
Fifth Third Bank, Ohio	13.2
First of Bartlesville, Okla.	13.1
Midlantic National, N.J.	13.0
John Hancock, Mass.	12.9
Citytrust, Conn.	12.9
First Tennessee, Chat.	12.9
HT Investors, R.I.	12.9
Home Life, N.Y.	12.8
First Pennsylvania Bank	12.8
Seattle Trust, Wash.	12.7
Central Fid., Richmond	12.7
Employers Life of Wausau, Wis.	12.5
Sovran Bank, Va.	12.5
Ohio Citizens Trust	12.5
Standard & Poor's 500	**10.8**

Real estate adviser profiles: Sept. 3.

5-year returns

	%
Manufacturers Life, Ont.	33.8
First Union Bank, N.C.	23.5
Employers Life of Wausau, Wis.	21.2
First of Oklahoma	20.9
First Wis. Natl., Madison	20.1
United of Denver	19.7
Provident National, Pa.	19.7
Connecticut Mutual Life	19.6
AmSouth, Ala.	19.4
US Natl. of Oregon	19.3
Equitable Life, N.Y.	19.2
Sun Bank, Fla.	19.0
Philadelphia National	18.7
Confederation Life, Ont.	18.6
Guardian Insurance, N.Y.	18.5
First Variable Life, Ark.	18.3
Home Life, N.Y.	18.0
Mercantile Safe, Md.	17.9
US Natl. of Galveston	17.8
Lake Shore Natl., Ill.	17.8
Wheeling Dollar Bank, W. Va.	17.6
First Natl. of Commerce, La.	17.6
Massachusetts Mutual	17.6
First Trust Corp., Colo.	17.5
Dauphin Deposit, Pa.	17.4

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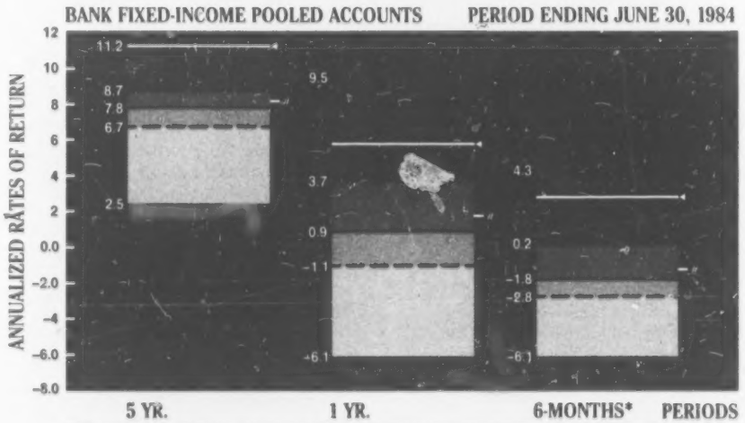

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Fidelity Bank

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Manufacturers Detroit	17.3
Aetna Life & Casualty, Conn.	17.3
Girard Bank, Pa.	17.3
Continental Natl. Bank, Texas	17.2
Landmark Union Trust, Fla.	17.1
Penn Mutual Life, Pa.	17.1
Texas Commerce	17.0
Citizens Chillicothe, Mo.	17.0
Bessemer Trust, N.Y.	17.0
Fourth Natl., Tulsa	17.0
First Interstate of Nevada	16.9
United Virginia Bank	16.9
Philadelphia Life, Pa.	16.9
Mutual Benefit, N.J.	16.8
Huntington Banks, Ohio	16.8
Minnesota Mutual	16.8
Northern Trust, Ill.	16.7
Natl. of Commerce, Neb.	16.6
Phoenix Mutual, Conn.	16.5
First Interstate of Oregon	16.5
State Street Bank, Mass.	16.4
IAA Trust Co., Ill.	16.4
Citytrust, Conn.	16.3
Fifth Third Bank, Ohio	16.2
Union Central, Ohio	16.2
First Tennessee, Chat.	16.2
Nationwide Life Ins., Ohio	16.2
Unibanctrust, Ill.	15.9
Southeast Bank, Fla.	15.9
Security Trust, Rochester	15.9
Citibank, N.Y.	15.9
Rainier National, Wash.	15.8
Mid-State Bancorp, Pa.	15.8
First Interstate of Wash.	15.8
Standard & Poor's 500	**14.0**

10-year returns

	%
Manufacturers Life, Ont.	25.1
Philadelphia Life, Pa.	19.7
Guardian Insurance, N.Y.	19.4
First Wis. Natl., Madison	19.3
Citizens Chillicothe, Mo.	18.8
First Variable Life, Ark.	18.4
US Natl. of Galveston, Texas	18.1
AmSouth, Ala.	17.7
First Trust Corp., Colo.	17.2
US Natl. of Oregon	17.1
Confederation Life, Ont.	16.6
Bankers Life, Iowa	16.6
Bessemer Trust, N.Y.	16.4
Landmark Union Trust, Fla.	15.8
Employers Life of Wausau, Wis.	15.4
Aetna Life & Casualty, Conn.	15.3
Capital Bank, Houston	15.1
First of Oklahoma	15.0
Provident National, Pa.	14.8
Liberty National, Okla.	14.7
Penn Mutual Life, Pa.	14.5
Massachusetts Mutual	14.5
Home Life, N.Y.	14.3
Minnesota Mutual	14.0
Natl. of Commerce, Neb.	13.9
Fifth Third Bank, Ohio	13.8
First of Kenosha, Wis.	13.7
First Interstate of Wash.	13.6
First Union Bank, N.C.	13.6
Bank of Oklahoma	13.6
Chicago Title & Trust	13.6
United of Denver	13.6
Nationwide Life Ins., Ohio	13.6
Life of Virginia	13.5
Equitable Life, N.Y.	13.5
Continental National, Texas	13.4
Phoenix Mutual, Conn.	13.4
Northern Trust, Ill.	13.3
Wheeling Dollar Bank, W. Va.	13.0
Olympic Bank, Wash.	13.0
First Interstate of Oregon	12.8
Natl. City, Cleveland	12.8
Texas American Bank	12.6
First of America, Mich.	12.6
First Tennessee, Chat.	12.5
Sentry Life, Wis.	12.5
Bank of Delaware	12.5
Security Trust, Rochester	12.5
Jefferson Trust, Ill.	12.4
Union Central, Ohio	12.4
Pittsburgh Natl., Pa.	12.4
Manufacturers Detroit	12.4
Standard & Poor's 500	**11.3**

Top quartile commingled fixed-income funds

3-month returns

	%
Hawaiian Trust	2.8
Citizens Trust Co., Wis.	2.8
First Pennsylvania Bank	2.5
First Natl., Jackson, Miss.	2.3

Top fixed funds by size

1-year returns

Over $100 million

	%
Prudential, N.J.	6.6
Comerica Bank, Mich.	5.3
Prudential, N.J.	4.0
Morgan Guaranty, N.Y.	2.9
Natl. Bank of Detroit	0.8
Chemical Bank, N.Y.	0.3
Natl. City, Cleveland	0.3
Equitable Life, N.Y.	0.2
Harris Trust, Ill.	0.0
Irving Trust, N.Y.	−0.5

$50 million to $100 million

	%
Interfirst Invt. Mgmt., Texas	5.1
First Union Bank, N.C.	4.7
Mellon Bank, Pa.	4.6
Midlantic Natl., N.J.	3.2
Mercantile Trust, Mo.	2.8
American Natl., Chicago	2.4
Mutual of New York	1.1
John Hancock, Mass.	0.9
US Trust, N.Y.	0.6
Marine Midland, N.Y.	0.2

$10 million to $50 million

	%
Citizens Trust Co., Wis.	12.1
First Natl., Jackson	12.1
Ouachita Natl., La.	8.2
AmeriTrust, Ohio	7.4
Heritage Trust, Wis.	7.1
Mercantile Safe, Md.	6.7
Hamilton Bank, Pa.	6.5
Fidelity Bank, Pa.	5.9
American Bank, Tenn.	5.6
United Missouri, K.C.	5.4

Under $10 million

	%
Hawaiian Trust	9.5
County Bank of St. Louis	8.9
First City Dallas	8.4
First of Elgin, Ill.	8.2
First Citizens, N.C.	8.1
Pioneer Bank, Ill.	7.6
AmSouth, Ala.	7.6
First of Pa., Erie	6.9
United Carolina Bank, N.C.	6.9
First of Bartlesville, Okla.	6.8

10-year returns

Over $100 million

	%
Texas Commerce	10.1
American Security, D.C.	10.0
Manufacturers Hanover, N.Y.	9.6
Centerre Trust, Mo.	8.7
Irving Trust, N.Y.	8.3
Citibank, N.Y.	8.3
Prudential, N.J.	8.2
Wachovia Bank, N.C.	8.2
Natl. Bank of Detroit	8.2
Natl. City Cleveland	7.7

$50 million to $100 million

	%
Mercantile Trust, Mo.	9.8
John Hancock, Mass.	9.0
American Natl., Chicago	9.0
US Trust, N.Y.	8.8
Midlantic Natl., N.J.	8.6
Bankers Trust, N.Y.	8.6
First Union Bank, N.C.	8.3
Comerica Bank, Mich.	7.7
Marine Midland, N.Y.	7.5
Mellon Bank, Pa.	5.9

$10 million to $50 million

	%
Fourth Natl., Wichita	10.8
Sovran Bank, Va.	10.6
Fidelity Bank, Pa.	10.5
Jefferson Trust, Ill.	10.4
Fidelity Union, N.J.	10.1
First Jersey Natl., N.J.	9.8
Seattle First Natl., Wash.	9.7
AmeriTrust, Ohio	9.7
First Interstate of Calif.	9.6
Riggs of Washington	9.2

Under $10 million

	%
Pacific Mutual, Calif.	11.3
Beverly Bank, Ill.	9.7
California First Bank	9.6
First of Neenah, Wis.	9.3
First of Pa., Erie	9.3
First of Bartlesville, Okla.	9.3
Penn Bank, Pa.	9.3
First of Warsaw, Ind.	9.2
Central Fid., Lynchburg, Va.	9.1
Security Trust, Rochester	9.1

Building a successful 401(k) plan is as easy as ABC.

High participation rates...employee satisfaction...easy implementation and maintenance...all characterize the most successful 401(k) plans. IDS Trust can help you build a successful 401(k)—it's as easy as ABC!

Administration.

The very foundation of a successful plan. IDS Trust provides *total* administrative services for 401(k) plans, including:

- accurate recordkeeping
- prompt reporting
- anti-discrimination testing
- loan processing
- hardship withdrawals
- plan trustee and custodian

In short, everything you need to ensure a well-managed plan *and* to minimize your involvement with details.

A key element in administering a plan is *service*. IDS Trust staunchly believes that your plan administrator should be accessible to you. To give continuous support. To respond immediately to your calls and questions. To make certain that the plan operates smoothly.

Broad Investment Selection.

The critical difference.

Because no two employees have the same investment needs, IDS Trust offers 11 investment funds—each exclusively designed for tax-qualified plans. The broad spectrum of these funds—from the secure, steady growth to the more aggressive, high growth—will satisfy the investment objectives of your employees. And will encourage employee participation.

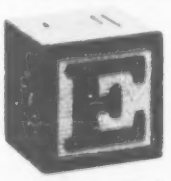
Communications.

The major employee motivator. How a 401(k) plan is presented to—and accepted by—employees can mean its success...or failure. IDS Trust knows that employee participation requires complete understanding of the plan and its benefits. Employees need information stated clearly in order to make the right decisions. An effectively communicated 401(k) sparks employee interest and increases participation.

IDS Trust will work with you to develop a comprehensive, multimedia communications program specially tailored to your unique needs. A program created to inform, to answer questions, to generate enthusiasm. *And* to increase enrollment.

Design.

The cornerstone of a successful plan. IDS Trust works with you to analyze your 401(k) needs and to design a plan to fit those needs. We help you build in flexibility to allow for expansion and growth. So that your plan will be able to grow and change with your company.

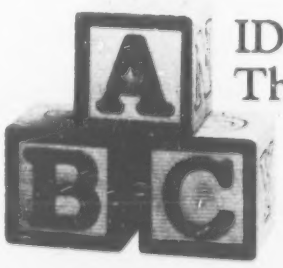


Experience.

IDS Trust has designed and administered 401(k) plans since their inception. We have the experience and expertise to implement and manage 401(k) plans from A to Z, no matter how complex, how sophisticated. And we provide *quality* service for those plans—just ask our clients.

IDS Trust will work with you to build a 401(k) plan—designed to your specific needs *and* structured for success. When IDS Trust builds a 401(k), we make it easy for you. As easy as ABC.

To start building your successful 401(k) plan, contact Peter Miller, Assistant Vice President, IDS Trust Company, IDS Tower, Minneapolis, MN 55402. 612/372-2700.



IDS Trust Company
The 401(k) Builder

IDS AMERICAN EXPRESS

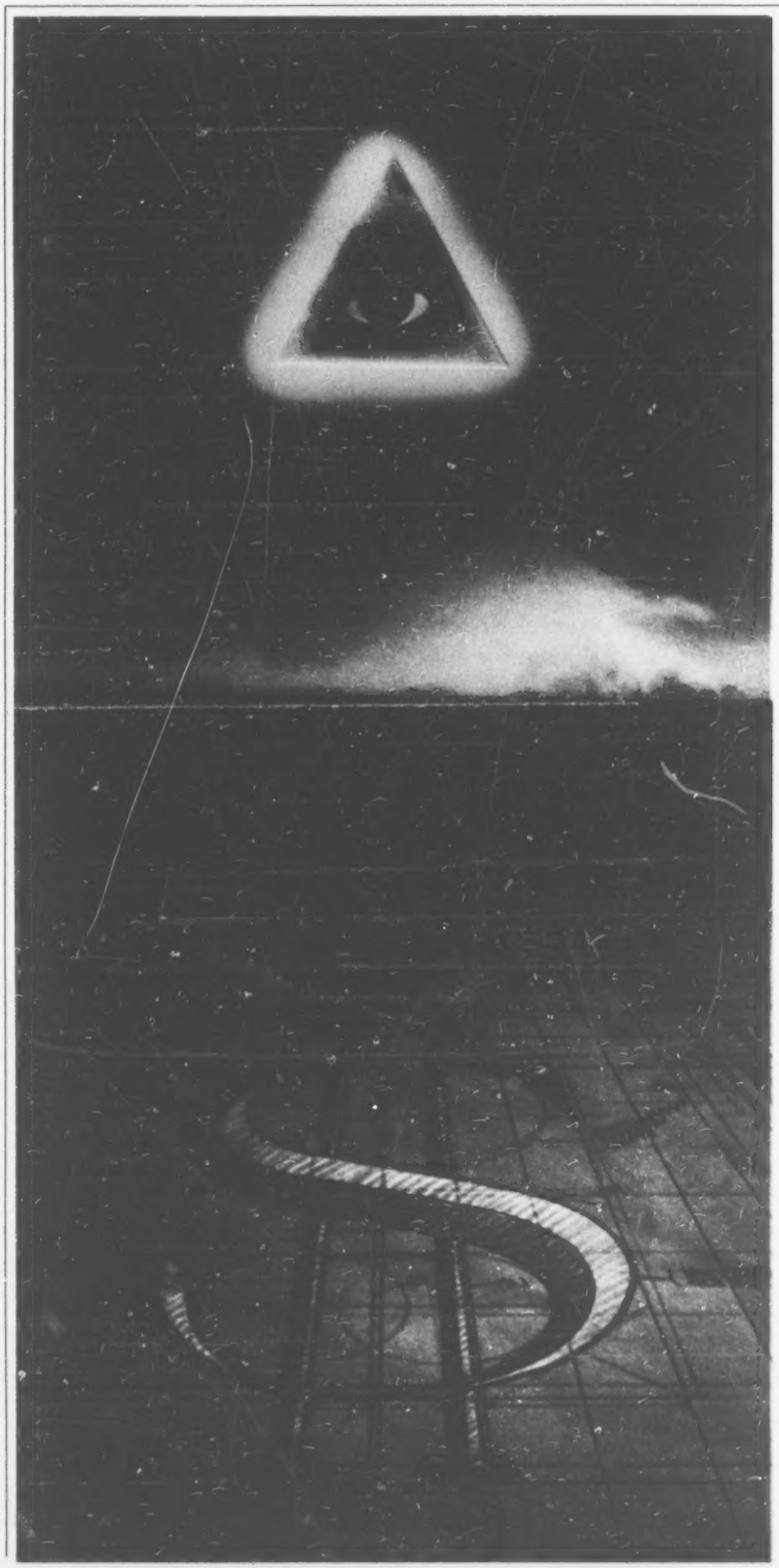
County Bank of St. Louis	2.0
American Natl., Austin	1.9
Security Trust, Rochester	1.8
First of Elgin, Ill.	1.5
Wilmington Trust, Del.	1.3
Heritage Trust, Wis.	1.3
First Bank Milwaukee	1.2
Fidelity Bank, Pa.	1.1
First Citizens, N.C.	1.0
Pioneer Bank, Ill.	1.0
AmSouth, Ala.	1.0
Hamilton Bank, Pa.	0.9
First of Bartlesville, Okla.	0.9
Ouachita Natl., La.	0.8
AmeriTrust, Ohio	0.8
First of Warsaw, Ind.	0.7
First of Pa., Erie	0.7
Mercantile Safe, Md.	0.6
Northern Central, Pa.	0.6
Old National, Wash.	0.6
Irwin Union Bank, Ind.	0.6
HT Investors, R.I.	0.5
Long Island Trust, N.Y.	0.5
First of Neenah, Wis.	0.5
Mercantile Safe, Md.	0.4
Florida National Bank	0.4
Puget Sound Natl., Wash.	0.4
Philadelphia National	0.3
Mid-State Bancorp, Pa.	0.1
Citizens & Southern, Ga.	0.1
Lake Shore Natl., Ill.	0.1
Prudential, N.J.	0.1
First Kentucky Trust	0.1
Northern Trust, Ill.	0.0
Comerica Bank, Mich.	0.0
Old Second National, Ill.	0.0
Equitable Bank, Md.	0.0
Summit & Elizabeth, N.J.	0.0
Home Life, N.Y.	0.0
American Bank, Tenn.	−0.1
Old Kent, Mich.	−0.1
Fourth Natl., Tulsa	−0.1
Mich. Natl. of Grand Rapids	−0.1
First of Neenah, Wis.	−0.1
United Missouri, K.C.	−0.1
Marine Bank, Pa.	−0.1
General American, Mo.	−0.2
First City Dallas	−0.2
Society National, Ohio	−0.2
First of Cincinnati, Ohio	−0.2
First of Shreveport, La.	−0.3
Interfirst Invt. Mgmt., Texas	−0.3
Central Bank Denver	−0.3
First Tennessee, Chat.	−0.4
First of Mobile, Ala.	−0.4
Cigna Corp., Conn.	−0.4
Bank of Oklahoma	−0.4
Unibanctrust, Ill.	−0.4
Fidelity Natl., La.	−0.4
Jefferson Trust, Ill.	−0.4
First Natl. of Commerce, La.	−0.4
Olympic Bank, Wash.	−0.4
Shearson LBKL Index	**−1.7**

1-year returns

	%
Citizens Trust Co. Wis.	12.1
First Natl., Jackson, Miss.	12.1
Hawaiian Trust	9.5
County Bank of St. Louis	8.9
First City Dallas	8.4
First of Elgin, Ill.	8.2
Ouachita Natl., La.	8.2
First Citizens, N.C.	8.1
Pioneer Bank, Ill.	7.6
AmSouth, Ala.	7.6
AmeriTrust, Ohio	7.4
Heritage Trust, Wis.	7.1
First of Pa., Erie	6.9
United Carolina Bank, N.C.	6.9
First of Bartlesville, Okla.	6.8
First of Neenah, Wis.	6.8
Mercantile Safe, Md.	6.7
Lake Shore Natl., Ill.	6.6
First Bank Milwaukee	6.6
Prudential, N.J.	6.6
Hamilton Bank, Pa.	6.5
Summit & Elizabeth, N.J.	6.5
Northern Trust, Ill.	6.4
California First Bank	6.3
Mutual of New York	6.1
Mid-State Bancorp, Pa.	6.0
Fidelity Bank, Pa.	5.9
Puget Sound Natl., Wash.	5.9
Old Second Natl., Ill.	5.6
American Bank, Tenn.	5.6
United Missouri, K.C.	5.4
Philadelphia Natl., Pa.	5.4
Old Kent, Mich.	5.3
Unibanctrust, Ill.	5.3
Comerica Bank, Mich.	5.3
Mich. Natl. of Grand Rapids	5.2
Irwin Union Bank, Ind.	5.2
American Fletcher, Ind.	5.1
Interfirst Invt. Mgmt., Texas	5.1
First Pennsylvania Bank	5.0
First of Cincinnati	5.0
First of Neenah, Wis.	5.0
Fourth Natl., Tulsa, Okla.	5.0
Olympic Bank, Wash.	5.0
Jefferson Trust, Ill.	4.9
Bank of Oklahoma	4.8
State Street Bank, Mass.	4.8
Security Trust, Rochester	4.8
First Union Bank, N.C.	4.7
First of Mobile, Ala.	4.7
Mellon Bank, Pa.	4.6
Texas Commerce	4.6
First of Warsaw, Ind.	4.5
Mercantile Safe, Md.	4.5
General American, Mo.	4.4
Toledo Trust, Ohio	4.4
Long Island Trust, N.Y.	4.4
First of South Dakota	4.3
Marine Bank, Pa.	4.3
Marquette Natl., Minn.	4.3
Florida Natl. Bank	4.3
Shearson LBKL Index	**1.8**

3-year returns

	%
First Kentucky Trust	17.4
Mutual of New York	17.2
Sovran Bank, Va.	17.0
Life of Virginia	16.8
Pioneer Bank, Ill.	16.3
Pacific Mutual, Calif.	16.2
CIGNA Corp., Conn.	16.0
First Wis. Natl., Madison	16.0
Hamilton Bank, Pa.	15.9
First Bank Milwaukee	15.7
Trust Svcs. of Amer., Calif.	15.6
Society Natl., Ohio	15.5
State Street Bank, Mass.	15.4
First of Neenah, Wis.	15.4
Toledo Trust, Ohio	15.4
California First Bank	15.3
Wheeling Dollar Bank, W. Va.	15.2
Ohio Citizens Trust	15.2
Philadelphia Natl., Pa.	15.2
American Security, D.C.	15.2
John Hancock, Mass.	15.2
Citibank, N.Y.	15.1
Beverly Bank, Ill.	15.1
Marine Midland, N.Y.	15.1
American Bank, Tenn.	15.1
Bank of Oklahoma	15.1
Union Planters, Tenn.	15.0
First Natl. State, N.J.	15.0
Commonwealth Natl., Pa.	15.0
Lincoln Natl., Ind.	15.0
Riggs of Washington	15.0
First of Warsaw, Ind.	15.0
Bankers Trust, N.Y.	14.9
Fidelity Bank, Pa.	14.9
Morgan Guaranty, N.Y.	14.8
Mutual of New York	14.8
Mercantile Trust, Md.	14.8
Heritage Trust, Wis.	14.8
Citytrust, Conn.	14.7
Genesee Merchants, Mich.	14.7
First of Maryland	14.7
Lloyds Bank, Calif.	14.7
Cullen Bank, Texas	14.7
Peoples Trust, Ind.	14.7
Liberty Natl., Ky.	14.7
First Interstate of Calif.	14.6
Crocker Natl., Calif.	14.6
Central Fid., Lynchburg, Va.	14.6
Unibanctrust, Ill.	14.6
Central Pa., Pa.	14.5
Lake Shore Natl., Ill.	14.5
Allied Bank, Texas	14.5
First Variable Life, Ark.	14.4
IAA Trust Co., Ill.	14.4
Key Trust Co., N.Y.	14.4



How to design a more efficient flexible compensation plan.

Draw on Peat Marwick's unequalled tax experience and our computer systems and human resources expertise.

The future of compensation is to be flexible. The benefits to employees are obvious. Recently, however, questions have arisen about the tax implications of some programs.

The question is this: Can a flexible compensation plan be developed that complies with the tax code, and at the same time helps management control rising costs?

The answer is yes. And Peat Marwick is uniquely qualified to do it. Drawing on a tax services department with unsurpassed experience, we are also at the forefront of computer systems development and human resources consulting. It is with the synergistic combination of these skills that we work with you to create an efficient flexible compensation program specifically designed to integrate with your overall business strategy.

Flexible compensation is only one of the services offered by Peat Marwick's Human Resources Consultants. Others include executive compensation, employee benefits and personnel services.

Peat Marwick has just completed an in-depth analysis of flexible compensation planning in 550 companies. For a free copy of the executive summary of this study, send in the coupon below, or call **800-344-3600** (in Illinois 800-328-4200).

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PEAT MARWICK

Accounting and Auditing/
Tax Services/Management Consulting/
Private Business Advisory Services

PIPER

Central Natl., Cleveland	14.3
First Natl., Jackson, Miss.	14.3
Northern Trust, Ill.	14.3
Fidelity Natl., La.	14.3
Wachovia Bank, N.C.	14.2
Gary Wheaton Bank, Ill.	14.2
Liberty Natl., Okla.	14.2
Girard Bank, Pa.	14.2
Shearson LBKL Index	**14.2**

5-year returns

	%
Northern Trust, Ill.	12.3
Sovran Bank, Va.	12.0
AmeriTrust, Ohio	12.0
Fidelity Bank, Pa.	11.4
Jefferson Trust, Ill.	11.3
Fourth Natl., Wichita, Kan.	11.3
Interfirst Invt. Mgmt., Texas	11.3
Texas Commerce	11.2
Riggs of Washington	10.8
Mercantile Safe, Md.	10.8
First of Pa., Erie	10.7
Beverly Bank, Ill.	10.7
Cullen Bank, Texas	10.6
Seattle First Natl.	10.5
First Natl., Jackson, Miss.	10.5
Pacific Mutual, Calif.	10.3
County Bank of St. Louis	10.3
Fidelity Union, N.J.	10.2
American Bank, Tenn.	10.2
Mid-State Bancorp, Pa.	10.2
First Bank Milwaukee	10.2
Mercantile Trust, Mo.	10.2
First Kentucky Trust	10.1
First of Neenah, Wis.	10.1
First Jersey Natl., N.J.	10.1
Bankers Trust, N.Y.	10.1
First of Neenah, Wis.	10.0
Manufacturers Hanover, N.Y.	10.0
First of Elgin, Ill.	10.0
Hamilton Bank, Pa.	9.9
Puget Sound Natl., Wash.	9.8
Northern Central, Pa.	9.7
Allied Bank, Texas	9.7
First Variable Life, Ark.	9.7
First Interstate of Calif.	9.7
First of Warsaw, Ind.	9.7
Summit & Elizabeth, N.J.	9.7
American Security, D.C.	9.6
Ouachita Natl., La.	9.6
First of Neenah, Wis.	9.6
Toledo Trust, Ohio	9.6
Bank of New England	9.6
Marine Trust, Wis.	9.6
First Natl. of Commerce, La.	9.5
Morgan Guaranty, N.Y.	9.5
Oregon Bank	9.5
Pittsburgh Natl., Pa.	9.5
American Natl., Austin, Texas	9.4
Gary Wheaton Bank, Ill.	9.4
First of Bartlesville, Okla.	9.4
Boatmen's Natl., Mo.	9.3
First Wis. Natl., Madison	9.3
First of Maryland	9.3
Central Fid., Lynchburg, Va.	9.3
Continental Natl. Bank, Texas	9.3
Landmark Union Trust, Fla.	9.3
American Natl., Chicago	9.3
Penn Bank, Pa.	9.3
Shearson LBKL Index	**8.2**

10-year returns

	%
Pacific Mutual, Calif.	11.3
Fourth Natl., Wichita, Kan.	10.8
Sovran Bank, Va.	10.6
Fidelity Bank, Pa.	10.5
Jefferson Trust, Ill.	10.4
Texas Commerce	10.1
Fidelity Union, N.J.	10.1
American Security, D.C.	10.0
First Jersey Natl., N.J.	9.8
Mercantile Trust, Mo.	9.8
Seattle First Natl., Wash.	9.7
Beverly Bank, Ill.	9.7
AmeriTrust, Ohio	9.7
California First Bank	9.6
First Interstate of Calif.	9.6
Manufacturers Hanover, N.Y.	9.6
First of Neenah, Wis.	9.3
First of Pa., Erie	9.3
First of Bartlesville, Okla.	9.3
Penn Bank, Pa.	9.3
Riggs of Washington	9.2
First Kentucky Trust	9.2
Cullen Bank, Texas	9.2
First of Warsaw, Ind.	9.2
CIGNA Corp., Conn.	9.2
Central Fid. Lynchburg, Va.	9.1
First Wis. Natl., Madison	9.1
American Bank, Tenn.	9.1
Commerce Union, Tenn.	9.1
Security Trust, Rochester	9.1
Bankers Trust, N.Y.	9.0
John Hancock, Mass.	9.0
Puget Sound Natl., Wash.	9.0
American Natl., Chicago	9.0
Lloyds Bank, Calif.	9.0
Mercantile Safe, Md.	9.0
United Missouri, K.C.	8.9
Ohio Citizens Trust	8.9
Oregon Bank	8.8
First Natl. State, N.J.	8.8
Toledo Trust, Ohio	8.8
US Trust, N.Y.	8.8
Manufacturers Detroit	8.8
Shearson LBKL Index	**8.5**

Real estate adviser profiles will run in the Sept. 3 issue.

PIPER equity fund results . . .

Continued from page 15

Mr. McKerchar had moved the portfolio to a cash position of about 50% by January, and held it there until May. Since then he has been in the buying mode and by July the portfolio had cash reserves of just 11%.

Given the market performance of the past few weeks, it is likely to stay there, Mr. McKerchar said.

Following the Canadian insurer were First Union Bank, at 22.1%, and AmSouth Bank of Birmingham, Ala., and First Variable Life Insurance Co., Little Rock, Ark., each with 20.4%.

The median fund for the three years returned 10% while the S&P 500 was at 10.8%.

Manufacturer's Life was on top again for the five-year period, with a compound annual return of 33.8%.

First Union again was second, with a 23.5% return, followed by Employer's Life Insurance Co. of Wausau, Wis., with 21.2%.

The median fund for five years was up 13.6%, compounded annually, while the S&P 500 finished at 14%.

The 10-year period ended June 30 found Manufacturer's Life leading again, with a 25.1% compound annual time-weighted return on investment.

This time, Manufacturer's Life was followed by Philadelphia Life Insurance Co. with 19.7% and Guardian Insurance Co., New York, with 19.4%. ■

MidCon tells how it plans to profit in the uncertain gas markets of the Eighties.

HOW TO SUCCEED, COME HELL OR HIGH WATER.

"There will be a shortage of natural gas."
"We're going to have a glut."
"Congress will totally deregulate gas."
"Congress will go the other way."

Who's right? And how will it all turn out? To be perfectly frank, we aren't really sure. And we're wary of those who say they are.

That's precisely the reason we've structured our company to be ready for anything. In a word, we're *flexible*. And through that flexibility, we intend to profit handsomely from changes that may stand the rest of the gas industry on its head.

As a matter of fact, we've already started. Our nine-month earnings of $129 million set a new record.

FLEXIBLE 6 WAYS

We've worked on flexibility hard enough to develop it in six different ways:

1. *Supply.* Our 15,000-mile natural gas pipeline network stretches from the Rockies in the West to Louisiana and the Gulf in the East. From Chicago in the North to Texas in the South. So we can shop for gas nearly everywhere gas is found—and *buy* wherever it's cheapest.

2. *Marketing.* Our low-cost supply enables us to *sell* gas at highly competitive rates—and still earn a reasonable margin. Which works as a potent weapon in the escalating battle for share of market.

3. *Cash flow and growth.* We have large markets in the North that yield a strong, steady cash

PIPER bond . . .

Continued from page 15
the tougher market in the quarter ended June 30. The median PIPER fund logged a decline of 1.6% for the quarter, while the Shearson-Lehman index did slightly worse, declining 1.7%.

Hawaiian Trust's defensive bond fund and Citizens Trust of Sheboygan shared the lead for the quarter at 2.8% time-weighted total returns.

The $6.5 million Hawaiian Trust fund was invested basically in instruments with one- to three-year maturities, said William Barton, senior vice president and chief investment officer.

"It's really designed not to fluctuate much in market value," he explained. "The GICs we're buying have interest rates of 11.25% to 14.05%, which locks in a good yield with stability of market value."

The portfolio is composed of a "fair amount" of GICs, which have had staggered maturities for the past several years, as well as Treasuries and short corporates.

Other high-performing funds for 1984's second quarter were First Pennsylvania Bank Trust & Investment Group, Philadelphia, with a 2.5% time-weighted total return; First National Bank of Jackson, 2.3%; and County Bank of St. Louis' Bond Fund, 2%.

First Kentucky Trust Co., Louisville, led the pack for the three-year period ended June 30 with a compound annual return of 17.4%.

This compares with the Shearson-Lehman index's 14.2% time-weighted compound annual return and the PIPER median fund's 13.3%.

Mutual of New York's Private Placement Fund was second for the period with 17.2% and Sovran Bank, Richmond, Va., was third with 17%.

For the five years ended June 30, the Shearson-Lehman index had a 8.2% time-weighted total return and the PIPER median fund came in a tad lower at 8.1%.

Northern Trust Co., Chicago, scored the highest return, 12.3%, for that time period. Sovran Bank and AmeriTrust Co. shared second place with 12%.

The long distance champ was Pacific Mutual Life Insurance, Newport Beach, Calif. Its bond fund scored an 11.3% time-weighted compound annual total return for the 10 years ended June 30.

The Shearson-Lehman index for the period was 8.5%, while the PIPER median fund had a time-weighted total return of 8.3%.

The $10 million Pacific Mutual fund is managed at Pacific Investment Management Co., Pacific Mutual's investment management arm, said William H. Gross, managing director at PIMCO.

He attributes the fund's long-term success to PIMCO's interest rate forecasts and sector analysis being on target in directing major moves in the bond market.

"Probably the reason we were right is that we took a longer look at the marketplace," he said. The firm's secular forecasting method served it well in two specific periods, Mr. Gross pointed out.

"In the 1977-'78 period, we saw real interest rates increasing over the next five to six years. And, we saw major structural changes in the financial marketplace," he said.

"Because of that we were very short-term in nature for maturities through the late '70s and into 1980 and 1981. That was significant in terms of performance.

"That same secular outlook in 1981, suggested a peaking of interest rates and an extension of maturities. And, we shifted the portfolio into a more positive, longer-term mode."

Right now, the portfolio is weighted 40% in long-term Treasuries with average maturities of 30 years, he said. Another 10% is invested in mortgage pass-throughs with average maturities of 12 years. Cash accounts for roughly 15% of the portfolio and the balance is in intermediate corporate bonds, primarily high-coupon utility bonds.

The Wichita, Kan.-based Fourth National Bank & Trust's Employee Benefit Fixed Income Fund was second for the 10-year period with a 10.8% return. Sovran Bank and Fidelity Bank, Philadelphia, placed third and fourth for the period with 10.6% and 10.5%, respectively. Fifth on the long distance list was Jefferson Trust & Savings Bank, Peoria, Ill., with 10.4%. ■

TUCS funds top market

LOS ANGELES — More than half of the equity portfolios in the Trust Universe Comparison Service outperformed the market in the second quarter.

However, the TUCS median equity fund had a negative return for the period, declining 2.2%, compared with a decline of 2.6% for the benchmark, the Standard & Poor's 500 stock index.

For the six months ended June 30, the median fund also underperformed the index, declining 7% while the S&P 500 dropped 4.9%.

TUCS' median equity fund again underperformed the market for the year ended June 30, dropping 8.6% compared with the S&P's decline of 4.8%.

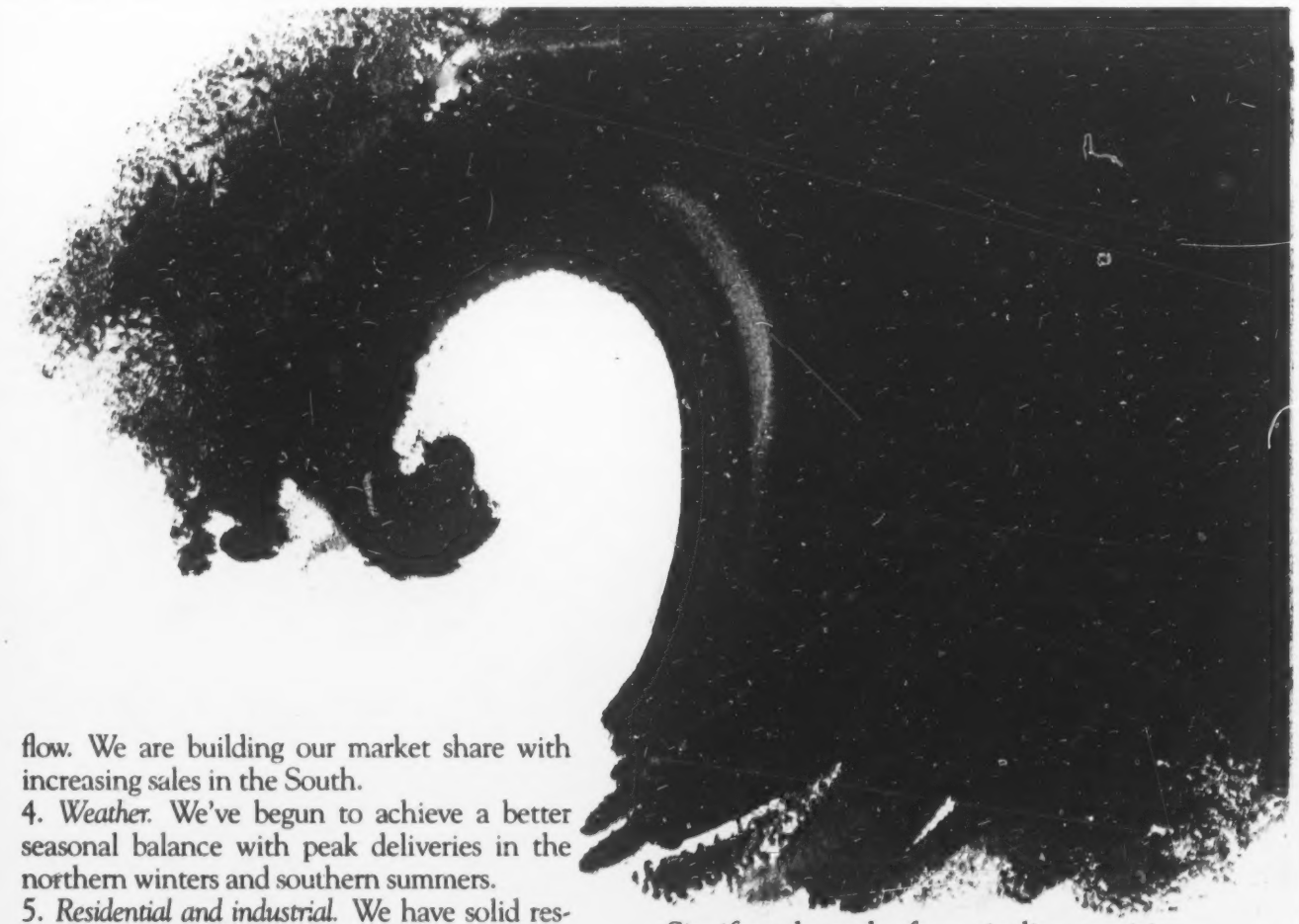
The median fixed-income portfolio in TUCS was down 1.8%, slightly underperforming the Shearson-Lehman Government/Corporate bond index, down 1.7%.

For the six-month period, the median fixed-income fund was down 1.5% compared with a decline of 1.2% for the Shearson-Lehman index.

For the one-year period, the median fund was up 1.6% compared with the Shearson-Lehman index's increase of 1.8%.

The TUCS universe is a data base of more than 3,300 investment portfolios, representing approximately 300 money management firms with more than $200 billion in assets.

The figures are derived from the master trust accounts of 35 banks and a number of insurance companies. ■



flow. We are building our market share with increasing sales in the South.

4. *Weather.* We've begun to achieve a better seasonal balance with peak deliveries in the northern winters and southern summers.

5. *Residential and industrial.* We have solid residential markets in the North and active industrial markets in the South.

6. *Regulated vs. deregulated.* With our strategically located pipeline network—and the skill to manage it—we're equipped to do well in any kind of regulatory environment.

ACQUISITIONS THAT WORK

We've already made some important acquisitions. But we are still looking for more good opportunities. Especially pipelines that can grow with lower-cost gas and aggressive marketing.

For example, Mississippi River Transmission Corporation, which we acquired in September, 1983. Its nine-month earnings were twice as high as last year's (with a little help from a hard winter).

Our pipeline acquisitions do several good things: They add new markets. Improve operating margins. Balance seasonal deliveries. And provide economies of scale. All of which help to make us more flexible and raise net income.

Significantly, each of our pipeline acquisitions will beef up our bottom line in 1984. Even after acquisition costs.

BALANCED GROWTH

Looking ahead, we intend to balance our growth in pipelines with increasing emphasis on other kinds of energy-related businesses. At the present time, our diversified group includes companies active in contract drilling, in oil and gas exploration and development, and in other energy-related ventures.

For more information on our plans for the Eighties, contact Kathleen Vuchetich, Manager, Investor Relations, MidCon Corp., 701 E. 22nd Street, P.O. Box 1207, Lombard, IL 60148. Or phone (312) 691-2557.

MIDCON CORP.

Cash Management

WINNERS

Corporate cash management bank rating survey

Overall evaluation:
Mellon
NCNB Nat'l./North Carolina*
Pittsburgh Nat'l.
Wachovia

Accuracy of balance reporting:
Pittsburgh Nat'l.
Mellon
Morgan
FNB Boston
Bankers Trust

Timeliness of balance reporting:
NCNB Nat'l./North Carolina
Mellon
Pittsburgh Nat'l.
Harris

Timeliness of check clearing schedules:
NCNB Nat'l./North Carolina
Harris
FNB Chicago
Nat'l. Detroit
Mellon

Accuracy of processing:
Harris and Pittsburgh Nat'l.
Wachovia
Mellon
Northern
NCNB Nat'l./North Carolina
Citibank

Speed of error correction:
NCNB Nat'l./North Carolina
Mellon
Pittsburgh Nat'l.

Corporate cash management bank rating survey

Data processing technology:
Mellon
Citibank
NCNB Nat'l./North Carolina
Morgan

Electronic data systems compatibility:
Mellon
NCNB Nat'l./North Carolina
Northern

Pricing:
NCNB Nat'l./North Carolina
Pittsburgh Nat'l.
Wachovia

Quality of consulting services:
Mellon and Morgan
NCNB Nat'l./North Carolina

Knowledge of cash mgmt. services:
Wachovia Bank & Trust
Mellon Bank

Courtesy in personal relationships:
FNB Atlanta
Mellon
National Bank of Detroit
Wachovia

*NCNB National Bank of North Carolina

Wachovia, Pittsburgh, NCNB, Mellon

Survey finds 4 favorites

By Richard J. Gillespie

NEW YORK — Pittsburgh National Bank, NCNB National Bank of North Carolina, Mellon Bank and Wachovia Bank & Trust are corporate America's favorite cash management banks, according to the 1984 *Pensions & Investment Age* survey of cash managers.

Cash managers with 180 of the nation's largest corporations cited the four banks as offering outstanding cash management operations. They rated the four highly for both the quality of their personnel and for the excellence of their data processing technology.

Cash managers use these banks for services such as lockboxing, controlled disbursement, cash concentration and cash management consulting.

While Mellon Bank, Pittsburgh, and Wachovia Bank & Trust, Winston-Salem, N.C., had been rated highly in past years, Pittsburgh National and NCNB National Bank of North Carolina are newcomers to the list of favorites. The survey identifies the top institutions as rated by cash managers with corporations that have sales greater than $100 million.

It is worth noting that both newcomers had to struggle against the two longstanding champions in their own localities to achieve this distinction.

Other banks that rated highly in various categories were:

• Harris Trust & Savings Bank, Chicago, cited for both the timeliness and accuracy of its check clearing operations, and also the timeliness of its balance reporting service.

• Morgan Guaranty Trust Co., New York, rated for the quality of its consulting services, the accuracy of its balance reporting services and the high quality of its data processing technology.

• National Bank of Detroit, admired for the courtesy of its staff and the timeliness of its check clearing schedules.

• First National Bank of Atlanta, whose staff is considered highly courteous.

Also rated strongly for individual qualities were First National Bank of Boston, Bankers Trust Co., First National Bank of Chicago, The Northern Trust Co. and Citibank.

While the survey response was skewed in favor of the industrial East and Midwest states, and also in favor of companies in the $250 million to $2 billion sales range, the winning banks consistently rated highly for most of the 12 categories by the respondents.

The pervasive impression that the institutions were consistent high scorers was strengthened through the use of factor analysis, a statistical technique that examines correlations among all possible pairs of a group of items to determine whether several items are each measuring different aspects of a single underlying dimension.

Using this approach across the 12 categories, two "subfactors" were identified.

One, dubbed "qualitative services," linked five characteristics: consulting quality, officer knowledge of cash management services, pricing, courtesy in personal relationships and electronic data systems compatibility.

The second, "data technology services," demonstrated a high intercorrelation in responses for the following items: accuracy of balance reporting, timeliness of balance reporting, timeliness and accuracy of processing, the quality of data processing technology and the speed of error correction.

With the qualitative services factor, Pittsburgh National led followed by Wachovia, Mellon and NCNB National Bank. With the data technology services factor, NCNB National Bank was the leader, followed by Mellon with Pittsburgh National, Harris and Wachovia grouped together just behind.

Harris Trust was not named among the winners because its performance trailed off when measured by the qualitative services subscale.

A collation of the total scores also was produced that represented the sum of all 12 items. This showed NCNB National Bank in the lead followed by Mellon, Pittsburgh National and Wachovia.

Gregory M. Herek, the statistician who collated the results, used a variety of statistical techniques — including factor analysis, the Kolmogorov Smirnov test, and the chi-square test — to pick the top rated banks.

"The differences between these banks were not statistically significant," said Mr. Herek.

"I would say that, rather than picking a winner, the results point toward a group of top banks. These four banks were top scorers, but no one bank was necessarily better than the other.

"The top banks were more

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How strong is your cash management bank?

Six key ingredients of cash management banks rated by corporate cash managers

Banks	Assets ($ bil.)	Equity/ assets	Primary capital to assets	Profitability	Liquidity	Excess problem loan ratio
Bank of America	109.7	3.83	4.48	0.09	29.97	67.89
Bankers Trust	40.1	4.08	4.73	0.63	51.79	17.70
Chase	79.5	4.60	5.27	0.54	29.89	39.04
Chemical	49.3	3.96	4.65	0.63	42.17	28.10
Citibank	113.5	5.22	5.72	0.63	35.33	28.02
Continental	40.7	4.50	5.41	0.20	29.53	111.79
1st Interstate Calif.	20.9	4.44	5.13	0.65	40.93	72.18
FNB Atlanta	5.5	4.75	5.47	0.88	72.80	11.34
FNB Boston	17.4	4.38	5.03	0.61	44.35	23.90
FNB Chicago	35.5	4.01	4.59	0.43	39.55	45.08
Harris	7.0	5.14	5.88	0.40	62.95	19.89
Interfirst Dallas	11.0	3.01	4.76	−3.54	50.90	131.84
Manufacturers Hanover	58.0	4.31	4.92	0.42	24.23	25.32
Mellon	21.8	4.27	5.04	0.55	50.82	17.43
Morgan	56.2	5.17	5.97	0.78	58.95	7.45
National Detroit	11.6	5.77	6.30	0.65	81.46	4.60
Northern	6.0	5.42	6.01	0.23	69.29	39.59
NCNB North Carolina	9.1	4.80	5.38	0.85	52.02	7.96
Pittsburgh Nat'l.	8.4	5.06	5.72	0.98	70.27	2.06
Republic Dallas	12.6	4.21	4.97	0.19	44.34	44.11
Security Pacific	36.1	4.40	5.10	0.77	27.88	47.14
Wachovia	7.7	6.07	6.78	0.98	60.53	4.77
Wells Fargo	23.9	4.41	5.13	0.68	26.14	78.05

Bank reporting data is 12/31/83.
Source: Compiled by Sheshunoff Inc. of Waterford, Mass.

Continental's market share holds steady despite woes

NEW YORK — Continental Illinois National Bank & Trust Co. of Chicago does not appear to have lost a significant amount of corporate cash management business in the past 12 months, despite its financial travails.

That was just one conclusion drawn from an analysis of bank market share in the cash management industry. There is even a possibility the troubled bank might have increased its share since *Pensions & Investment Age*'s 1983 cash management survey.

Last year, Continental Illinois was named by 22.5% of the respondents as one of their five major cash management banks. That made it the most widely used service provider overall.

In the most recent survey, Continental Illinois received ratings from 45 of 180 respondents — 25% of the total sample.

It could be speculated that since the bank's problems came to a head in May, cash managers did not have time to act before filing their questionnaires in June and July.

But it should be noted Continental did not get bad ratings from its users. Most of its scores on each of the 12 characteristics used in the survey came out at about the mean. The bank's scores were close to the average, although it slipped somewhat in the 'speed of error correction' category.

According to the 1984 returns, cash managers with Continental Illinois use it for 30.6% of their total business in any one of four categories: lockboxing, disbursement, concentration and consulting. The mean service usage among all 23 banks rated in 1984 was 34%.

Continental Illinois had a market-share pattern typical of other Chicago banks. Those companies that used First National Bank of Chicago, for example, gave it 33.7% of their business in each service category, while Harris Trust & Savings Bank received 34.5%.

More than 90% of respondents using Continental used it for lockboxing, while only 21% used it for disbursement, 38% for cash concentration and 26.2% for consulting.

By comparison, 88% used FNB Chicago for lockboxing, 14.6% for disbursement, 34% for concentration and 44% for consulting.

The conclusion that few corporations with more than $100 million in annual sales dropped Continental in the 12 months was backed up by interviews conducted in July. Among seven interviewees, only one had dropped the bank.

Elsewhere, it was found respondents using Bankers Trust Co., Manufacturers Hanover, The Northern Trust Co. and Wachovia Bank & Trust Co. used them for more than 40% of their business in each of the four categories.

Northern Trust, like other Chicago banks, seems to be primarily a lockbox bank. This conclusion is drawn from the finding that 90% of respondents named it for lockboxing, while only 14% used it for disbursement, 24% for cash concentration and 24% for consulting.

Wachovia, of Winston-Salem, N.C., on the other hand, proves to be something of an "all-arounder," but with an emphasis on disbursement. Among its 23 respondents, 40% used it for lockboxing, 17.4% used it for cash concentration, 35% used it for consulting and 79% used it for disbursement.

Not surprisingly, the big New York banks are used not so much for lockboxing as for cash concentration, disbursement and some consulting.

Finally, a greater number of respondents used Bank of America than Citibank, 44 to 36, but in both cases respondents used them for about the same proportion of business in each category (33% for Bank of America, 35% for Citibank).

Bank of America has a big lockbox profile (61.4% of its respondents), while Citibank's is small (11.1% of its respondents). Both bank's do considerable disbursement business (41% for Bank of America and 67% for Citibank).

Bank of America seems to be more widely used for concentration services (38.6% of its respondents compared with 28% for Citibank), while both are used about equally for consulting (32% for Bank of America, 28% for Citibank). ■

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Thorndike, Doran, Paine & Lewis

Survey finds 4 cash management . . .

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closely associated with each other than they were with the next group of banks on the list."

He noted this approach entailed some "subjective judgment."

The response rate from the 1,038 cash managers who received questionnaires was 17%, a result that called for considerable analysis to determine how representative the respondents were in comparison with the total universe.

Mr. Herek said there was an overrepresentation of firms in the $250 million to $2 billion sales range, and of corporations in the industrialized East and Midwest.

There was an underrepresentation of responses from cash managers with corporations having between $100 million and $250 million in sales.

In the sample, there was no meaningful relationship between company sales size and the ratings assigned to banks, he said. In other words, both small and large corporations showed roughly the same response in rating their banks.

However, while this was found to be the case in the sample, it would not hold true necessarily for the universe of 2,210 corporations. Geographically, the sample underrepresented the less industrialized states.

Local loyalties don't appear to have colored the survey's result, Mr. Herek said.

"Each of the top four banks were evaluated by corporate cash managers from at least four of the 10 major geographic areas," he said.

He noted Mellon Bank and Wachovia Bank & Trust had recorded a high reponse and he found this to be well distributed among the 10 ZIP code regions.

NCNB National Bank had been rated only by 10 cash managers, but they were scattered throughout five ZIP code regions, he said. Similarly, Pittsburgh National Bank was evaluated by 10 corporate cash managers located in four regions.

By contrast, Wachovia's 24 respondents hailed from seven regions, while Mellon Bank was rated by 48 cash managers in nine of the 10 ZIP code regions.

The geographic dispersion might have been wider because, in each case, a small number of respondents did not list their ZIP codes.

"They are pretty well distributed," commented Mr. Herek. "There was a preponderance of respondents in New York and Pennsylvania, but otherwise they were distributed fairly well."

While the possibility cannot be discounted that biases crept into the result through low response in some states, it must be pointed out these states also were poorly represented among the 39 banks listed on the questionnaire. In other words, recipients simply might have discarded questionnaires because their most important local banks weren't included.

At the same time, respondents were asked to name banks they used that were not listed on the questionnaire. An examination of the response showed there also was a poor representation of cash management banks among those very same states.

These regions were: ZIP code Region 3 — Florida, Alabama, Mississippi and Tennesee; Region 8 — Colorado, Wyoming, Idaho, Utah, Arizona, New Mexico and Nevada; and Region 5 — Iowa, Wisconsin, Minnesota, Montana, North Dakota and South Dakota.

There might have been other underrepresented states, because the analysis focuses on regions and not individual states.

Another notable aspect of the survey was that the responses tended to gather at one end of a seven-point scale, rather than being dispersed throughout the possible responses.

"Most banks received average ratings between one and three for each of the 12 items," Mr. Herek said. He added this meant either "respondents don't use banks that they consider below average," at least for cash management, or "they are reluctant to rate their banks low on the criteria." ■

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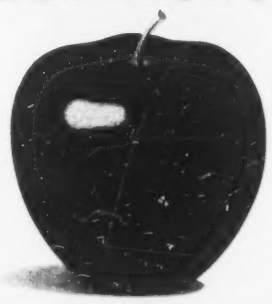

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Data show 'sickest' . . .

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• **Equity to assets (the leverage ratio).**

Cited by the chairman of the FDIC, William Isaac, some years back as the most important measure of a bank's financial strength, it now has been surpassed by the emergence of problem loan data. Previously, the leverage ratio provided the highest correlation with bank closings, according to Mr. Heller. It is compiled by dividing equity into assets and expressing the result as a percentage. Theoretically, the higher, the better.

• **The primary capital ratio.**

The same as equity to assets, but using primary capital rather than equity. Primary capital is defined here as equity plus loan-loss reserves, and where applicable, plus mandatorily convertible debt.

• **Profitability.**

Calculated here as annualized income for a quarter, divided by assets. Where institutions are losing money, it is important to know how long the losses can continue at the current rate, Mr. Heller said.

On the average, banks can turn in tremendous returns on equity, he said. It is not unusual for banks to turn in 20% return on assets. Here, the banks seem to be considerably less profitable.

• **Excess problem loan ratio.**

A key ratio that lists problem loans in excess of the bank's loan-loss reserves as a percentage of equity. A ratio of more than 100% shows the possibility that a bank's equity could be wiped out. A ratio of zero, as exhibited by First Interstate Bank of Arizona, shows the loan-loss reserve is greater than problem loans, or that there are no problem loans.

• **Liquid assets divided by total deposits.**

Deposits are defined as the total of insured holdings, including balances and certificates of deposit, but excluding repurchase agreements and letters of credit. Liquid assets are those that can be turned into cash within a few days.

After much experimentation, this was the liquidity measure the firm found to be most meaningful, he said. The ultimate measure of liquidity is duration. This expresses the rate at which liabilities or assets mature. Ideally, assets mature as fast, or faster than liabilities. ■

International equity markets*

Countries	Total returns (local)	Total returns U.S. $
USA	-5.0%	-5.0%
Japan	9.4	6.9
UK	6.0	-0.9
Canada	-10.7	-15.8
Germany	-1.3	-4.0
Australia	14.5	-18.0
Hong Kong	7.6	6.9
Switzerland	-3.2	-9.5
France	12.4	9.5
Singapore	-16.2	-16.7
Italy	12.4	8.8
Netherlands	8.7	6.2
Sweden	-1.4	-3.6
Spain	34.6	33.9
Belgium	10.6	7.3
Denmark	-18.9	-21.4
Norway	9.2	5.4
Austria	-2.6	-4.0

* Total return 12/31/83 — 6/29/84
Source: Philips & Drew International Ltd.

Returns better overseas

NEW YORK — Investors were better off in overseas markets than in U.S. equities during the past six months, despite the sagging performance of the Europe, Australia and Far East index, according to Richard Watkins, director of the New York office of Phillips & Drew International Ltd.

Figures compiled by his firm showed that 12 out of 17 markets outperformed the U.S. stock market, Mr. Watkins said.

"If you had invested in 12 non-U.S. markets, you'd have outperformed the U.S. market," Mr. Watkins added.

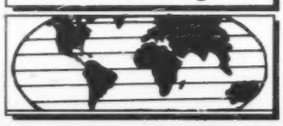
"If you invested in the U.S. stock market, you'd have lost 5%. While investment in Spanish stock would have gained you 33.9%."

In U.S.-dollar terms, the largest gains were realized from investment in the French equity market, which gained 9.5%; the Italian market, which advanced 8.8%; the Belgian market, up 7.3%; and the Hong Kong and Japanese markets, up 6.9% each.

Also, there were places where one could have done much worse than investing in U.S. equities.

The Danish stock market lost 21.4%, in U.S.-dollar terms; the Australian market was down 18%; the Singapore market slipped 16.7%; and the Canadian market fell 15.8% in U.S.-dollar terms.

International update



Foreign interest up

NEW YORK — Higher U.S. interest rates drew foreign investors into the U.S.-corporate and government bond markets during the first quarter, according to the Securities Industry Association's Foreign Activity Report.

Foreign net purchases of U.S.-corporate bonds increased during the quarter to $481 million from $330 million the previous quarter. That's an increase of 46%, according to the SIA.

U.S.-corporate bond yields rose 62 basis points by March 31, to 13.25%, according to the SIA report.

For the same period, Europeans made net purchases of $276 million of U.S. corporates, a 51% increase from the prior quarter's net purchases of $183 million. U.K. investors made large net purchases, a big portion of that increase. U.K.-corporate yields dropped off by more than 60 basis points during the first quarter.

German investors were more bearish on U.S.-corporate bonds, despite a downturn in their bond market.

They made net purchases of $20 million in the first quarter, down from $116 million in the fourth quarter of 1983.

Equally bearish, the Swiss were net sellers of $26 million of U.S. corporates, compared with net purchases of $101 million in the previous quarter.

The Japanese put $153 million into U.S. corporates during the first quarter.

The oil-exporting countries continued to clear their shelves of U.S. corporates: Net sales were $18 million in the first quarter.

Overseas investors made net purchases of $802 million of U.S. Treasuries for the quarter.

That brings total holdings to $91.9 billion, according to the SIA report.

U.S.-government bond yields increased to 12.49% by the end of March, from 11% at the end of 1983.

Global network set

BOSTON — State Street Bank and Trust Co. has constructed a global custody network with online communication capacity to service international investment by U.S. pension funds, said William E. Gundy, vice president.

The idea of doing global custody began for the bank in early 1981, when the Department of Labor lifted a prohibition against custody of assets in foreign banks. Prior to that, U.S. pension plans were required to have assets in banks under the jurisdiction of U.S. District Courts.

Since then, a network of subcustodians in 14 countries has been established.

Germany's BHF Bank, Japan's Sumitomo Trust and Banking Co. Ltd., France's Societe Sequanaise de Banque, and Banco Mexicano Somex of Mexico are some of the banks in the network.

State Street holds $1.1 billion in global accounts up from $240 million at year-end 1981.

The bank now has 40 global custody clients, compared with three in late 1981.

Roughly half of those are U.S. pension funds, he said.

Assets are from a combination of master trust clients who have moved into international investment, and clients using the bank solely as global custodian, said Mr. Gundy.

Among the bank's global custody clients are the pension funds of Atlantic Richfield Co., Xerox Corp., J.C. Penney Co., and most recently, Philip Morris, he said.

Japanese rally to U.S.

TOKYO — The Japanese have been rallying to buy overseas bonds due to U.S.-dollar appreciation against the yen and rising U.S. interest rates, according to a report by the Japan Economic Journal.

The largest component of this foreign investment is in dollar denominated bonds.

In fact, the outstanding value of U.S. and foreign bonds acquired through securities companies was $20 billion as of June 30.

While the amount of foreign bonds (other than dollar denominated) bought through securities dealers increased 3% in May from April, purchases of U.S.-dollar bonds increased by 10% in the same period, according to the journal's report.

The report cited recent yen depreciation as the cause of the investment's sudden popularity.